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UNITED STATES OF AMERICA

11 UNITED STATES DISTRICT COURT
12
13 FOR THE CENTRAL DISTRICT OF CALIFORNIA
14 WESTERN DIVISION

15 UNITED STATES OF AMERICA,

16 Plaintiff,

17 v.

18 \$3,168,400.00 IN U.S. CURRENCY,
\$489,900.00 IN U.S. CURRENCY FROM
19 A SAFE DEPOSIT BOX AT WILSHIRE
STATE BANK, \$200,000.00 IN U.S.
20 CURRENCY FROM A SAFE DEPOSIT BOX
AT BANK OF AMERICA, \$138,401.14
21 IN BANK FUNDS FROM WILSHIRE STATE
BANK, 72 GOLD BARS, AND 184
22 ASSORTED COINS,

23 Defendants.
24
25
26
27
28

No. CV 17-05766

VERIFIED COMPLAINT FOR FORFEITURE

18 U.S.C. § 981(a)(1)(A) and (C),
and 21 U.S.C. § 881(a)(6)

[DEA]

1 Plaintiff United States of America brings this claim against the
2 defendants \$3,168,400.00 in U.S. currency, \$489,900.00 in U.S.
3 currency from a safe deposit box at Wilshire State Bank, \$200,000.00
4 in U.S. currency from a safe deposit box at Bank of America,
5 \$138,401.14 in bank funds from Wilshire State Bank, 72 gold bars, and
6 184 assorted coins, and alleges as follows:

7 JURISDICTION AND VENUE

8 1. This is a civil forfeiture action brought pursuant to 18
9 U.S.C. § 981(a)(1)(A) and (C), and 21 U.S.C. § 881(a)(6).

10 2. This Court has jurisdiction over the matter under 28 U.S.C.
11 §§ 1345 and 1355.

12 3. Venue lies in this district pursuant to 28 U.S.C.
13 § 1395(b).

14 PERSONS AND ENTITIES

15 4. The plaintiff in this action is the United States of
16 America.

17 5. The defendants are \$3,168,400.00 in U.S. currency,
18 \$489,900.00 in U.S. currency from a safe deposit box at Wilshire
19 State Bank, \$200,000.00 in U.S. currency from a safe deposit box at
20 Bank of America, \$138,401.14 in bank funds from Wilshire State Bank,
21 72 gold bars, and 184 assorted coins (jointly the "defendant
22 assets"), seized by law enforcement agents executing search warrants
23 against Gail Choi ("Choi") after apprehending her at a drug
24 trafficking related cash drop outside her residence in Los Angeles,
25 California.¹ The defendant assets were seized from Choi's residence
26 in Los Angeles, California, Choi's safety deposit boxes at Bank of
27

28 ¹ Pursuant to Local Rule 5.2-1, personal residence addresses
have been omitted from this Complaint.

1 America and Wilshire State Bank, and Choi's bank account at Wilshire
2 State Bank.

3 6. The defendant currency is currently in the custody of the
4 United States Marshals Service in this District, where it shall
5 remain subject to the jurisdiction of this Court during the pendency
6 of this action.

7 7. The interests of Choi, Jung Hee Park ("Park"), and Yune
8 Lee ("Lee") may be adversely affected by these proceedings.

9 EVIDENCE SUPPORTING FORFEITURE

10 8. Between July 2015 and November 2015, the Drug Enforcement
11 Administration ("DEA") conducted a wiretap investigation involving
12 Isidro Solorio ("Solorio") also known as Chilo. Through information
13 gathered during this investigation, agents learned that Solorio
14 collected narcotics proceeds on behalf a Mexican source of supply
15 ("SOS").

16 9. Through intercepted conversations, agents learned that
17 Solorio coordinated narcotics proceeds deliveries with a known
18 contact of the Mexican SOS, Gilbert Jauregui ("Jauregui") and other
19 known and unknown organization members. The narcotics proceeds
20 deliveries to Solorio were generated from narcotics distributed by
21 Solorio.

22 10. After delivery to Solorio the narcotics proceeds were
23 either transported directly to Mexico (as currency) where the
24 currency was remitted to the Mexican SOS or the narcotics proceeds
25 were transported to the Garment District in downtown Los Angeles (the
26 "Garment District") to be laundered through various businesses there
27 using a method identified by law enforcement as the "Black Market
28 Peso Exchange."

1 11. There are several variations of the Black Market Peso
2 Exchange. The basic scheme is that narcotics proceeds (large sums of
3 currency) are provided to a Garment District business with the
4 understanding that the business will feign ignorance as to the source
5 of the drug proceeds and will help funnel the currency to a drug
6 trafficking organization's counterpart/SOS in Mexico. One such Black
7 Market Peso variation that Mexican drug trafficking organizations
8 utilize to launder and transmit their narcotics proceeds to Mexico
9 involves the purchase of merchandize and other commodities through
10 businesses in the Garment District. The goods purchased with the
11 narcotics proceeds are exported to businesses in Mexico where those
12 items are sold and the profits are returned to the Mexican SOS
13 undetected by law enforcement.

14 12. Through wire intercepts of Solario, agents learned that
15 Jauregui regularly delivered large quantities of narcotics proceeds
16 to Solorio.

17 13. On October 15, 2015, based on the ongoing wiretap
18 investigation, Riverside County Superior Court Judge Becky L. Dugan
19 authorized the interception of wire and electronic communications of
20 Target Telephone #50 used primarily by Jauregui.

21 14. During the wire intercepts of Jauregui, agents intercepted
22 conversations between Jauregui and his contacts in Mexico. Agents
23 learned that Jauregui operated a narcotics stash house in the Bell
24 Gardens area in Los Angeles County. Jauregui's Mexican SOS contacts
25 instructed Jauregui when and where to hand-off shipments of narcotics
26 and collect narcotics proceeds. Jauregui was instructed by his
27 contacts in Mexico to hand-off the drug proceeds to various Asian
28 women identified by Jauregui's cartel contacts in Mexico.

1 15. On November 3, 2015, through Jauregui's intercepted
2 conversations, agents learned that the Mexican SOS had instructed
3 Jauregui to meet with Choi and hand-off \$100,000.00 in narcotics
4 proceeds.

5 16. The Mexican SOS also instructed Jauregui to deliver
6 kilograms of cocaine to a narcotics customer after delivering
7 currency to Choi. The Mexican SOS provided Jauregui with Choi's
8 telephone number.

9 17. Shortly thereafter, Jauregui contacted Choi arranging to
10 meet outside Choi's residence in Los Angeles to make the \$100,000.00
11 currency drop-off. Agents heard Choi confirm the expected drop-off
12 with Jauregui. Choi provided Jauregui her address in Los Angeles and
13 instructed Jauregui to call her when he arrived at her residence.
14 Choi confirmed that she would meet Jauregui in front of her apartment
15 complex.

16 18. Based on the intercepted conversations, agents established
17 surveillance at Choi's apartment complex in Los Angeles. Agents
18 observed Jauregui arrive at the location and intercepted Jauregui's
19 call to Choi indicating that he had arrived at her residence. Choi
20 confirmed that she would meet Jauregui downstairs.

21 19. Agents detained Jauregui outside Choi's aptment building
22 and within a few minutes observed Choi exiting the lobby of her
23 building carrying an empty bag while calling Jauregui's cell phone.

24 20. Based on the wire intercepts, agents obtained a State
25 search warrants for Jauregui's residence in Bell Gardens, his
26 vehicle, and Choi's residence in Los Angeles. The search warrants
27 were authorized by the Honorable Judge Yriate of the Los Angeles
28 County Superior Court.

1 21. Pursuant to the search warrants, agents searched Choi's and
2 Jauregui's residences, as well as Jauregui's vehicle.

3 22. From Jauregui's vehicle, agents seized approximately
4 \$100,000.00 in narcotics proceeds found inside a grocery bag.
5 Trained and certified narcotics detecting canine "Zaia" alerted
6 positively on the grocery bag containing the currency, indicating
7 that there was an odor of illegal drugs emanating from the bag. From
8 Jauregui's residence in Bell Gardens, agents seized four kilograms of
9 cocaine.

10 23. Jauregui provided a post-Miranda statement. Jauregui told
11 agents that he had been working for a drug cartel, delivering
12 kilograms of cocaine and illegal drug proceeds. Jauregui explained
13 that when he collected the narcotics proceeds, his Mexican SOS
14 contacts from Mexico gave him instructions on when, where, and to
15 whom to hand-off the drug proceeds, which was either to business
16 owners in the Garment District or to various Asian women.

17 24. Jauregui told agents that in the past, even as recently as
18 the previous week, Jauregui had handed-off drug proceeds to a woman
19 Jauregui believed to be Choi's daughter living in the Glendale area.

20 25. Jauregui told agents that on November 3, 2015 (the day of
21 the seizure), Jauregui had been instructed by his contacts in Mexico
22 to meet this time with Choi as opposed to her daughter.

23 26. Prior to executing the search warrant at Choi's residence,
24 agents Mirandized Choi who agreed to speak with them. Choi told the
25 agents that her daughter, Lee, had instructed Choi to meet with
26 Jauregui to receive money from Jauregui.

27 27. Choi admitted to the agents that she (Choi) had been
28 collecting money in this fashion from Mexican individuals for over 20

1 years, but would not elaborate much more on her involvement. Choi
2 refused to identify her contacts in Mexico. Choi did, however, admit
3 that the money was collected through currency hand-offs in the United
4 States and used to purchase commodities and textiles in the United
5 States, which were then sent to Mexico.

6 28. Agents confronted Choi with the fact that the currency used
7 in the hand-offs was proceeds of drug trafficking activities. Choi
8 admitted that she understood that the nature of the currency was
9 suspicious.

10 29. Executing a search warrant on Choi's residence, agents
11 found a safe in a bedroom that appeared to be used for storage.
12 Trained and certified narcotics detecting canine Zaia was run through
13 Choi's residence, and alerted positively on the safe, indicating that
14 the odor of narcotics was emanating from the safe. Inside the safe
15 agents found and seized \$3,168,400.00 in U.S. currency (a defendant
16 asset), 184 assorted valuable coins (a defendant asset), and 72 gold
17 bars (a defendant asset).

18 30. Choi told agents that the approximately \$3,000,000.00 in
19 U.S. currency found in her safe was from years of collecting money in
20 the fashion described in paragraphs 28 and 29, and that one of the
21 benefits to Choi was to not have to report money to the federal
22 government thereby avoiding taxes.

23 31. At Choi's residence agents also found and seized bank
24 statements from Wilshire State Bank and Bank of America for accounts
25 in Choi's name, additional financial statements and paperwork in
26 Choi's name, and keys for safe deposit boxes at Wilshire State Bank
27 and Bank of America.

1 (a) that due process issue to enforce the forfeiture of
2 the defendant assets;

3 (b) that due notice be given to all interested parties to
4 appear and show cause why forfeiture should not be decreed;

5 (c) that this Court decree forfeiture of the defendant
6 currency to the United States of America for disposition according to
7 law; and

8 (d) for such other and further relief as this Court may
9 deem just and proper, together with the costs and disbursements of
10 this action.

11
12 DATED: August 3, 2017

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Acting United States Attorney
LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division
STEVEN R. WELK
Assistant United States Attorney
Chief, Asset Forfeiture Section

17 /s/ Yasin M. Almadani
18 YASIN M. Almadani
19 Assistant United States Attorney

20 Attorneys for Plaintiff
21 United States of America
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VERIFICATION

I, Joseph Carrillo, declare and say that:

1. I am a Task Force Officer with the Drug Enforcement Administration.

2. I have read the attached Verified Complaint for Forfeiture and know the contents thereof.

3. The information contained in the Complaint is either known to me personally, was furnished to me by official government sources, or obtained pursuant to subpoena. I am informed and believe that the allegations set out in the Complaint are true.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

EXECUTED this 3 day of August 2017 at Los Angeles, California.



JOSEPH CARRILLO
Task Force Officer - DEA